

An Update From The President

HRPOA – Moving in the Right Direction

With a firm handle on the budget and a great deal of energy focused on the roads, the HRPOA is moving in the right direction for financial stability, member services, and all with full transparency.

In my short tenure as President, I can assure you the current Board members have displayed the ethics and determination that will soon erase the organizational and financial catastrophe they inherited.

I apologize to the members and the Board; It had always been my intent to be part of a team to stabilize the organization. I did expect to run for an elected term as a Director, but given the pandemic my full attention needs to be focused on my businesses. I greatly appreciated the opportunity to serve.

Respectfully
Bob Maccario
HRPOA President.



An Update From The Secretary

It's been very gratifying to serve as the board's secretary this past year. In my minutes, I've tried to present a complete report on the HOA meetings so that if you weren't able to attend, you would still be informed. Remember, if you go to hrpoa.com and click on "files," and then "minutes" you can read them there. If you click on the arrow on the upper right, the minutes will be arranged with the latest/most current minutes, first. With the resignation this winter of three members of the former board, I'm now able to put "Rough Draft Minutes" on the website well in advance of the next HOA meeting where they'd be approved/amended. The former board would not allow this rough draft posting.

It's been most pleasant to work with the three new board appointees, Jess Lattin, Larry Austin and Bob Maccario, as well as Summer Pellett. A tremendous amount of volunteer time was put in, jobs were done quickly, and most importantly to you, every effort was made to save the association money. The new proactive, positive attitude of the board was a breath of fresh air. I especially want to thank Summer, for all the work she did in putting together this Annual Mailing. She's the hardest working member of the board.

- Cynthia Kennedy, Secretary

An Update From The Road Directors

In January 2020, several members resigned from the HRPOA board and we, Jess Lattin and Larry Austin, were appointed to the board and began the role as the Co-Road Directors. Tasks that immediately faced the two of us included:

- 1) The immediate resignation of the previous roads crew (2 employees) and hiring of a new part-time road crew employee (contracted by project, not on salary)
- 2) A thorough evaluation of the HRPOA's current road repair equipment which has resulted in the proposal to change the operations of maintaining the roads from using HRPOA owned equipment to short-term rental of specific equipment for scheduled projects.
- 3) Learning the roads and plow routes, fixing the plows and grader, as well as, updating the prioritized list for roads maintenance and larger 2020 projects.

So, to say the least, in the last few months Jess and I have had to hit the road running (pun intended)!

To highlight a few of the surprises we learned when evaluating our equipment:

- The dump truck used by the 10-acre HRPOA has a salvaged title and is not registered or insured. It has been now removed from operations.
- The water truck has not been operational for several years and we do not have a licensed (Class A) driver to operate it.
- Several pieces of equipment have been in various states of disrepair for some time or have never been used to maintain the 10-acre HRPOA roads.

It is our desire that we sell the unusable equipment and remove the ongoing repair and maintenance costs from our budget and rent the equipment for a specific project when scheduled. This will ensure we have the right equipment for the job and we eliminate the need for insurance, maintenance, and storage of equipment.

Initial road projects include:

- Repairing the north section of Livery
- Digging out a culvert on Hanaupah and installing culverts on Hanaupah and Livery
- Raising the road at the intersection of Bullfrog and Northstar
- Continuing to grade the roads throughout the 10-acre HRPOA

Jess and I look forward to continuing the Road Director efforts and serving the 10-acre HRPOA.

Sincerely,

Larry Austin and Jess Lattin

An Update From The Treasurer

On December 2, 2019, Lillian Henry resigned as Treasurer of the HRPOA, and I was appointed as Treasurer by the Board of Directors on January 7, 2020.

It is my goal to return the HRPOA to operating within an annual budget of \$101,200 (\$200/lot). I plan to work closely with the Roads Directors, Larry Austin and Jess Lattin, to keep HRPOA expenditures in line with the annual budget. Since taking over as Treasurer, I have implemented the following changes:

- Purchased a ScanSnap scanner (which is widely used by bookkeepers) and opened an HRPOA OneDrive account to make sure that all HRPOA documents are scanned and filed electronically. This allows for the Treasurer and the bookkeeper to work off of the same documents, for records to be more easily shared with the membership, and for the future transfer of templates, records, titles, financials, and other documents to be more seamless and fluid on a Board with frequent changes in leadership.
- Transferred the HRPOA from the desktop version of Quickbooks to Quickbooks Online, which allows both the bookkeeper and Treasurer access to the HRPOA financials. As the Treasurer, I have the responsibility of safely keeping and disbursing all monies and securities of the Association, meeting financial reporting requirements, and properly overseeing the work of the HRPOA bookkeeper. I could not do any of these things without access to the books.
- I have taken over many tasks that were previously assigned to the HRPOAs bookkeeper, tasks that I believe can be easily done by a volunteer Treasurer. I now have access to, and respond to, the many emails sent to the only consistent HRPOA email address: bookkeeper@hrpoa.org. I now collect the HRPOA mail at the PO Box in Virginia City. I have revamped many of the templates, forms, and notices of the association and made them accessible on the cloud. I have taken over issuing late notices, election mailings, and agendas. I created a Square account so that members may pay their dues online by credit card. In the future, I will continue to work with Kelly Brownwell (our bookkeeper) to see how we can divide and conquer all of the financial responsibilities of the Association.
- I have posted Quarterly Financial Reports to the HRPOA website that I believe conform to the requirements of the Nevada Revised Statutes and the HRPOA Bylaws. You can find the Quarterly Financials online at the following URL:
https://hrpoa.org/HRPOA_Files/Financials/2020%201st%20QTR%20Financial%20Report.pdf

Future tasks that I would like to undertake include:

- Balance Sheet Update/Clean-up: The current Balance Sheet of the Association includes assets that have been sold and aging assets (past dues) that we can no longer collect. I want to clean up the balance sheet so it reflects the actual assets of the HRPOA.
- Reserve Study Update: The current Reserve Study includes \$130,000 of annual road maintenance activities in excess of our \$101,200 annual operating budget. This means that a minimum \$160,000/year special assessment is figured into the Reserve Study for the next 30 years. I would like to work with the Reserve Consultant to include more realistic numbers in determining the amount needed to properly fund the HRPOA reserve account; preferably one that doesn't include an annual special assessment.

Included in the following pages are the HRPOA FY2020 Budget, the FY2019 Profit & Loss Statement, and the FY2019 Balance Sheet. It should be noted that it was the intention of the current Board to use the 2020 Special Reserve Assessment to build back up the HRPOA Reserve Account after the previous Board spent the money (including additional reserve funds collected through Special Assessments) for a "special" recycled asphalt application project. The Reserve Study in place at the time was not followed and therefor equipment that was scheduled to be replaced was not replaced. In August of 2019, the Board agreed to spend Reserve Funds on a new plow truck and two new Western Plows (not to exceed \$60,000). Steve Seeds delayed the purchase of the new truck until December of 2019. This delay by the previous VP of Roads caused the new plow expenses to carry-over into FY2020. It is the intent of the current Board to utilize the operating budget for the remainder of the 2020 HRPOA expenditures.

I look forward to continuing to serve our community as Treasurer. Please do not hesitate to contact me if you have any questions, concerns, or input.

Sincerely,

Summer Pellett
HRPOA Treasurer

2020 HRPOA AMENDED BUDGET

Amended 5/26/2020

OPERATING ACCOUNT:

INSURANCE & PAYROLL TAXES

Commercial Liability	\$2,500.00
Vehicle	\$1,500.00
Workers Compensation	\$5,000.00
Payroll Taxes	\$5,000.00
TOTAL INSURANCE:	\$14,000.00

OFFICE EXPENSES

Filing Fees	\$250.00
Licenses & Permits	\$250.00
Postage	\$900.00
Other: Envelopes, Paper, Copies, Ink	\$1,800.00
Quickbooks Subscription	\$600.00
Utilities: Electric & Trash	\$700.00
TOTAL OFFICE EXPENSES:	\$4,500.00

PROFESSIONAL EXPENSES

Auditor	\$8,700.00
Legal	\$1,500.00
Bookkeeping	\$9,000.00
Ombudsman Fee (NRS 116.31155)	\$2,150.00
Reserve Study	\$550.00
Banking Fees	\$50.00
Real Estate Taxes	\$100.00
TOTAL PROFESSIONAL EXPENSES:	\$22,050.00

ANNUAL CULVERT MAINTENANCE

Labor (\$30/hr. x 40 hrs. x 2 weeks)	\$2,400
Fuel (2 weeks)	\$1,280.00
Backhoe Rental (2 weeks)	\$2,710.00
Mobilization	\$1,500.00
TOTAL ANNUAL CULVERT MAINTENANCE:	\$7,890.00

ANNUAL ROAD GRADING

Labor (\$30/hr. x 40 hrs. x 3 weeks)	\$3,600.00
Fuel (3 weeks)	\$3,360.00
Grader Maintenance	\$5,000.00
TOTAL ANNUAL ROAD GRADING:	\$11,960.00

SNOW REMOVAL

Labor	\$3,000.00
Fuel	\$1,000.00
Plow Equipment Maintenance	\$2,000.00
Truck Equipment Maintenance	\$3,000.00
TOTAL SNOW REMOVAL:	\$9,000.00

ANTICIPATED ROAD LABOR/MAINTENANCE

Labor	\$6,200.00
Material	\$17,500.00
Material Hauling	\$7,700.00
TOTAL ANTICIPATED ROAD LABOR/MAINTENANCE:	\$31,400.00

CHARITABLE CONTRIBUTIONS:

\$400.00

TOTAL OPERATING EXPENDITURES: \$101,200.00

TOTAL OPERATING REVENUES (\$200 x 506 lots): \$101,200.00

RESERVE ACCOUNT:

*****EQUIPMENT REPLACEMENT:**

John's Spring Service (to mount plow for Dodge truck)	\$690.23
Jordan's Truck & Trailer Equipment (plow for Dodge Truck)	\$8,686.53

*****TOTAL RESERVE EXPENDITURES: \$9,376.76**

TOTAL RESERVE REVENUES (\$150 x 506 lots): \$75,900.00

A previous Board spent the money in the HRPOA Reserve Account (including additional reserve funds collected through Special Assessments) for a "special" recycled asphalt application project. The Reserve Study in place at the time was not followed and therefor equipment that was scheduled to be replaced was not replaced. In August of 2019, the Board voted to spend Reserve Funds on a new plow truck and two new Western Plows (not to exceed \$60,000). The VP of Roads at the time, Steve Seeds, delayed the purchase of the new truck until December of 2019. The current Board intended to use the full \$75,900 in Reserve Assessment Revenues to replenish the HRPOA Reserve Account. However, the delay of the previous VP of Roads caused the new plow expenses to carry-over into FY2020. It is the intent of the current Board to deposit the remaining \$66,523.24 into the Reserve Fund.

HIGHLAND RANCHES PROPERTY OWNERS ASSOCIATION

Profit and Loss

January - December 2019

		Total
Income		
correcting enrty	\$	242.74
Fee Income		
Assessed Late Fees	\$	820.00
Dues (Billed)	\$	177,100.00
Late Fee Income	\$	16.20
Total Fee Income	<u>\$</u>	<u>177,936.20</u>
Total Income	<u>\$</u>	<u>178,178.94</u>
Gross Profit	<u>\$</u>	<u>178,178.94</u>
Expenses		
Bank Service Charges	\$	4.00
Contributions	\$	1,044.00
Dues Refunds	\$	-
Insurance		
Commerical Liability	\$	2,330.00
Insurance - Vehicles	\$	1,854.05
Insurance-Workmans Comp	\$	12,059.00
Total Insurance	<u>\$</u>	<u>16,243.05</u>
Merchant fee - Square	\$	0.17
Office Expense	\$	3,183.86
Filing Fees	\$	250.00
Licenses and Permits	\$	320.75
Office Supplies	\$	385.61
Postage	\$	2,039.86
Printing and Reproduction	\$	194.88
Utilities		
Electric	\$	603.85
Trash Pickup	\$	196.08
Total Utilities	<u>\$</u>	<u>799.93</u>
Total Office Expense	<u>\$</u>	<u>7,174.89</u>
Payroll Expenses	\$	4,618.49
Professional Fees		
Auditor	\$	8,731.60
Bookkeeping	\$	13,455.00
Legal	\$	3,308.27
Ombudsman Fee - NRS 116	\$	2,150.50
Reserve Study	\$	1,400.00
Total Professional Fees	<u>\$</u>	<u>29,045.37</u>
Road Maintenance (Routine)		
Diesel/Gas	\$	3,305.31
Equipment	\$	5,987.25
Materials	\$	3,371.35
Road Labor	\$	5,724.00
Road Snow Removal - Emergency	\$	2,581.25
Snow removal - Labor/Material	\$	17,381.28
Total Road Maintenance (Routine)	<u>\$</u>	<u>38,350.44</u>
Road Repair and Rebuild		
Diesel/Gas	\$	3,444.66
Equipment Rental	\$	20,687.18
Equipment Repairs	\$	5,677.23
Material	\$	39,357.48
Road Labor	\$	26,799.25
Total Road Repair and Rebuild	<u>\$</u>	<u>95,965.80</u>
Taxes		
Real Estate Taxes	\$	107.27
Total Taxes	<u>\$</u>	<u>107.27</u>
Total Expenses	<u>\$</u>	<u>192,553.48</u>
Net Operating Income	<u>\$</u>	<u>(14,374.54)</u>
Other Income		
Architectural Fees	\$	200.00
Bank Interest	\$	40.87
HRPOA Stickers	\$	63.00
Miscellaneous	\$	500.00
Transfer Fees	\$	2,900.00
Total Other Income	<u>\$</u>	<u>3,703.87</u>
Net Other Income	<u>\$</u>	<u>3,703.87</u>
Net Income	<u>\$</u>	<u>(10,670.67)</u>

HIGHLAND RANCHES PROPERTY OWNERS ASSOCIATION
Balance Sheet
As of December 31, 2019

	Total
ASSETS	
Current Assets	
Bank Accounts	
B of A - Chkg-Culverts-0527	47,987.24
B of A - Chkg-Regular-0320	1,403.80
B of A - MM Svgs-4165	31,528.48
B of A - Reserve Chkg-4695	90,006.56
Total Bank Accounts	\$ 170,926.08
Accounts Receivable	
2012 Dues	606.00
2013 DUES	600.00
2014 Dues	600.00
2015 Dues	600.00
2016 Dues	1,100.00
2017 Dues	1,550.00
2018 Dues	2,430.00
2018 Special Assessment Dues	3,280.00
2019 Dues & Special Assessment	9,256.00
2020 Dues	49,400.00
2020 Special Assessment	53,550.00
Dues - 2009	200.00
Dues - 2009 Special Assessment	360.00
Dues - 2010	612.00
Dues - 2011	600.01
Dues / Special Assessment 2008	509.74
Total Accounts Receivable	\$ 125,253.75
Other Current Assets	
Prepaid Taxes	236.00
Total Other Current Assets	\$ 236.00
Total Current Assets	\$ 296,415.83
Fixed Assets	
1974 FWD Dump W12'plow12-08	
Depreciation	-8,540.00
Original Cost	8,540.00
Total 1974 FWD Dump W12'plow12-08	\$ 0.00
1988 ChampGrader 5-15-09	
Depreciation	-13,701.00
Original Cost	14,755.44
Total 1988 ChampGrader 5-15-09	\$ 0.00
1993 Ford Plow 3/30/98 broken	
Depreciation	-17,018.00
Original Cost	17,018.00
Total 1993 Ford Plow 3/30/98 broken	\$ 0.00
1993 Water Truck 5-15-09	
Depreciation	-15,890.48
Original Cost	15,890.48

Total 1993 Water Truck 5-15-09	\$	0.00
1995 -Cal Trans w/Plow 5-15-09		
Depreciation		-3,972.62
Original Cost		3,972.62
Total 1995 -Cal Trans w/Plow 5-15-09	\$	0.00
1999 Dodge Plow Truck - 1/14/02		
Depreciation		-27,935.43
Original Cost		27,935.43
Total 1999 Dodge Plow Truck - 1/14/02	\$	0.00
2001Chev-SOLD w/plow-toFORD		0.41
Depreciation		-5,489.00
Original Cost		5,488.59
Total 2001Chev-SOLD w/plow-toFORD	\$	0.00
2002 Ford F250 Pickup w/plow		-491.00
Depreciation		-14,548.00
Original Cost		15,284.68
Total 2002 Ford F250 Pickup w/plow	\$	245.68
2006 Chevy truck 12/7/07		
Depreciation		-34,110.29
Original Cost		34,110.29
Total 2006 Chevy truck 12/7/07	\$	0.00
2015 Dodge Ram 2500		37,035.51
2019 Plow for 2002 Ford Truck		9,474.27
Entrance Gates - 9/20/79		
Depreciation		-4,100.00
Original Cost		4,100.00
Total Entrance Gates - 9/20/79	\$	0.00
Fence - 11/01/95		
Depreciation		-3,616.00
Original Cost		3,616.00
Total Fence - 11/01/95	\$	0.00
Fire Station - 7/01/80		
Depreciation		-25,000.00
Original Cost		25,000.00
Total Fire Station - 7/01/80	\$	0.00
Fire Station - 7/01/82		
Depreciation		-16,667.00
Original Cost		16,667.00
Total Fire Station - 7/01/82	\$	0.00
Generator - 10/15/94		
Depreciation		-5,000.00
Original Cost		5,000.00
Total Generator - 10/15/94	\$	0.00
Hincker Plow Blade-01/23/06		
Depreciation		-6,061.38
Original Cost		6,061.38
Total Hincker Plow Blade-01/23/06	\$	0.00
Land		9,699.40
Mail Box Enclosure - 3/30/00		
Depreciation		-7,821.00
Original Cost		7,821.00

Total Mail Box Enclosure - 3/30/00	\$	0.00
Mobile Radio Units - 12/07/97		
Depreciation		-1,140.33
Original Cost		1,140.33
Total Mobile Radio Units - 12/07/97	\$	0.00
Pump Station - 6/01/82		
Depreciation		-3,000.00
Original Cost		3,000.00
Total Pump Station - 6/01/82	\$	0.00
Radio System - 11/01/95		
Depreciation		-3,227.00
Original Cost		3,227.00
Total Radio System - 11/01/95	\$	0.00
Road Paving - Cartwright - 1/86		
Depreciation		-38,040.00
Original Cost		38,040.00
Total Road Paving - Cartwright - 1/86	\$	0.00
Roller & 2 Trailers 7-2009		
Depreciation		-17,364.88
Original Cost		17,364.88
Total Roller & 2 Trailers 7-2009	\$	0.00
Street Signs - 02/26/06		
Depreciation		-716.54
Original Cost		716.54
Total Street Signs - 02/26/06	\$	0.00
Total Fixed Assets	\$	56,454.86
TOTAL ASSETS	\$	352,870.69
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
A/P - Culvert A/C		50,400.00
Total Accounts Payable	\$	50,400.00
Other Current Liabilities		
Assessments billed in advance		264,132.00
Payroll Liabilities		250.16
Total Other Current Liabilities	\$	264,382.16
Total Current Liabilities	\$	314,782.16
Total Liabilities	\$	314,782.16
Equity		
Retained Earnings		48,759.20
Net Income		-10,670.67
Total Equity	\$	38,088.53
TOTAL LIABILITIES AND EQUITY	\$	352,870.69